

OMERS

member news

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OMERS member Michelle Novelli

OMERS SC approves two plan changes

OMERS Sponsors Corporation (SC) has approved two plan changes to help with OMERS Plan funding:

- a small contribution rate increase for both members and employers, starting in 2010. This stems from the decision to file the December 31, 2008 valuation.
- a cap on the level of incentive pay included in contributory earnings, effective 2011.

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OMERS

Plan for the Future

An OMERS pension will provide you with retirement income for life and includes inflation protection, early retirement options and survivor and disability benefits. Member News keeps more than 248,000 members up to date on plan news and benefits.

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"These changes are a necessary first step to address the security of the OMERS plans," said OMERS SC Co-Chair Marianne Love.

"The SC will continue to carefully monitor the Plans' funding position, on a yearly basis, to determine whether any further changes are needed,"

added SC Co-Chair Brian O'Keefe.

At the end of 2008, OMERS Primary Pension Plan had a funding shortfall of \$279 million. OMERS expects this to increase over the short term.

In 2009, the SC considered a range of proposals to address the funding shortfall including changing benefits

with respect to service going forward and increasing contribution rates.

The OMERS plan provides lifetime income for members in their retirement. OMERS will continue to work hard to build wealth to secure the pension promise for our current and future retirees.

Contribution rate increase – starting in 2010

Beginning with the first, full pay period in 2010, the rates paid by active members and matched by their employers will be as follows. (For comparison, we have also listed the current contribution rates.)

| | | 2009 | 2010 |
|----------------------------------|--------------------------------------|-------|-------|
| Normal retirement age 65 members | On earnings up to CPP earnings limit | 6.3% | 6.4% |
| | On earnings over CPP earnings limit | 9.5% | 9.7% |
| Normal retirement age 60 members | On earnings up to CPP earnings limit | 7.7% | 7.9% |
| | On earnings over CPP earnings limit | 12.8% | 13.1% |

CPP earnings limit in 2009 is \$46,300; we will know the 2010 limit later this year.

These rates will remain in effect until the end of 2012, unless the SC changes them before then.

Normal retirement age 65 (most OMERS members)

| Total annual earnings example | 2009 contributions | 2010 contributions | Difference per pay* |
|-------------------------------|--------------------|--------------------|---------------------|
| \$25,000 | \$60.58/pay | \$61.54/pay | \$0.96 |
| \$50,000 | \$125.71/pay | \$127.77/pay | \$2.06 |
| \$75,000 | \$217.05/pay | \$221.04/pay | \$3.99 |
| \$100,000 | \$308.40/pay | \$314.31/pay | \$5.91 |

Normal retirement age 60 (most OMERS police officers and firefighters)

| Total annual earnings example | 2009 contributions | 2010 contributions | Difference per pay* |
|-------------------------------|--------------------|--------------------|---------------------|
| \$50,000 | \$155.33/pay | \$159.32/pay | \$3.99 |
| \$75,000 | \$278.41/pay | \$285.28/pay | \$6.87 |
| \$100,000 | \$401.49/pay | \$411.25/pay | \$9.76 |

*Based on 26 pay periods annually and the 2009 CPP earnings limit. As the 2010 limit will be higher, the actual dollar increases in contributions may be slightly less than those indicated here.

Cap on level of incentive pay – starting in 2011

Most OMERS members will not be affected by this Plan change. It will affect only those members whose incentive pay is a large percentage of their earnings.

This Plan change will cap a member's earnings for pension purposes at 150% of contributory earnings calculated before incentive pay. For OMERS Plan purposes, "incentive pay" means earnings related to short-term or long-term performance-based bonus payments and similar pay arrangements. Bonus payments based on length of service, such as service retention payments commonly paid in the police/fire sectors, are not considered "incentive pay."

This Plan change applies to incentive payments attributed to calendar years after December 31, 2010. Incentive payments paid in 2011, but attributed to a previous year would not be affected by the cap.

Secure access coming soon for members

A state-of-the-art online member pension system is coming soon. myOMERS will give you online access to your OMERS information.

Where we're at

The site is in development and will be ready for active members in 2010.

Next steps

We'll promote myOMERS through next year's Pension Reports to encourage

members to register with their *Pension Report* in hand. (You will need your OMERS membership number to register.)

Key features of the site

- **RETIREMENT INCOME ESTIMATOR and BUY-BACK ESTIMATOR**

These tools will enable you to estimate your pension income or the cost of a buy-back purchase using your personal data.

- **MY INFO and MY REPORTS**

You will have easy access to your service and earnings information as well as an electronic copy of your *Pension Report* (annual statement) and other personal documents – for example, a *Buy-back estimate* or a *Pension estimate*.

- **e-subscription**

Through e-subscription, you can sign up for e-only delivery of your *Pension Report*. myOMERS will alert you by e-mail when your *Pension Report* is available electronically.

The RETIREMENT INCOME ESTIMATOR and the BUY-BACK ESTIMATOR will produce estimates based on membership information pulled from our database.

Through e-subscription, members can sign up for e-only delivery of their *Pension Report*.



myOMERS: a sneak peek

With the launch of myOMERS in 2010, OMERS members will have safe and secure access to their OMERS information. More about myOMERS will follow in upcoming newsletters.

OMERS executive appointed to Pension Council

Chief Pension Officer to sit on Advisory Council on Pensions

The Ontario Minister of Finance has appointed Jennifer Brown, OMERS Chief Pension Officer, to a 13-member Advisory Council on Pensions and Retirement Income. The Council, a result of the Ontario Expert Commission on Pensions review of Ontario's pension system, will advise the Minister on pension reform proposals and keep the

government up-to-date on stakeholder viewpoints.

The Council members were selected for their in-depth knowledge of pension issues and reflect a range of stakeholder perspectives. Dick McIntosh, the retiree representative on OMERS Board from 1999 to 2005, will also serve on the Council.

"As a member of the Council, my role will be to provide candid feedback on reform proposals and implementation issues," said Ms. Brown. "I'm looking forward to being involved from the early stages."

For more information on the Advisory Council, please visit <http://www.news.ontario.ca/mol/en/2009/07/post.html>.

Financial Services Tribunal – Notice of Hearing

Please see the following notice from the Financial Services Tribunal regarding an upcoming hearing in 2010.



FST File No. #P0335-2008

FINANCIAL SERVICES TRIBUNAL

IN THE MATTER OF the *Pension Benefits Act*, R.S.O. 1990, c.P.8, as amended by the *Financial Services Commission of Ontario Act*, 1997, S.O. 1997, c.28 (the "PBA");

AND IN THE MATTER OF the Registration of By-Law No. 7 of the OMERS Primary Pension Plan, Registration Number 0345983 (the "Plan");

AND IN THE MATTER OF a Hearing in accordance with subsection 89(8) of the PBA.

BETWEEN:
SUSAN MCGRATH
Applicant

- and -

**SUPERINTENDENT OF FINANCIAL SERVICES,
OMERS ADMINISTRATION CORPORATION, and
OMERS SPONSORS CORPORATION**
Respondents

NOTICE OF HEARING

TAKE NOTICE that the Financial Services Tribunal (the "Tribunal") will be conducting a hearing under section 89 of the *Pension Benefits Act*, R.S.O. 1990, c.P.8, as amended (the "PBA") in respect of a Notice of Registration of Amendment (the "Registration") of the Superintendent of Financial Services (the "Superintendent") registering By Law No. 7 as an amendment to the OMERS Primary Pension Plan, Registration Number 0345983 (the "Plan").

THE HEARING WILL BE HELD commencing at 9:30 a.m. on **January 18, 19, 20 and 21, 2010 and February 8 and 9, 2010** at the Financial Services Tribunal, 5160 Yonge Street, 14th Floor, Toronto, Ontario.

THE PURPOSE OF THE HEARING is to determine whether the Tribunal should uphold the Registration of Article 2.1 of By-Law No. 7 (the "Amendment") which amends the method of calculating the indexing adjustments to benefits paid under the Plan.

PARTY STATUS has been granted by the Tribunal to: the OMERS Administration Corporation and the OMERS Sponsors Corporation.

THE ISSUES AT THE HEARING WILL BE:

- (a) Is the Amendment void within the meaning of section 14(1) of the PBA because it reduces the amount or the commuted value of a pension or pension benefit accrued under a pension plan?
- (b) Is the Amendment adverse within the meaning of section 26 of the PBA?
- (c) If the answer to issue (b) is yes, were the notice requirements in section 26 complied with or were there grounds, as set out in section 26(4) of the PBA, to dispense with the notice required under section 26(1)?
- (d) Depending upon the answers to issues (a), (b) and (c) above, what, if any, is the appropriate remedy and should it include revocation of the Registration of the Amendment?

IF YOU WISH TO PARTICIPATE in the hearing, you must file with the Registrar of the Tribunal, an Application for Party Status (Form 4) in accordance with Rule 38 of the *Rules of Practice and Procedure for Proceedings before the Financial Services Tribunal* at any time before **December 7, 2009** but thereafter only with the consent of the Tribunal. The Application for Party Status (Form 4), and Tribunal's Rules can be obtained by going to the Tribunal's website at www.fstontario.ca

Applications for party status will be dealt with at a Pre-Hearing Conference scheduled on **December 10, 2009** commencing at 9:30 a.m. at the offices of the Tribunal, 5160 Yonge Street, 14th Floor, Room 20, Toronto Ontario. If you wish your application to be considered, you must attend in person at the pre-hearing conference on December 10, 2009 to address your application. The grant of party status to any applicant for party status is in the discretion of the Tribunal.

Applications must be filed with the Registrar at:

Rhonda Booth, Registrar
Financial Services Tribunal
5160 Yonge Street, 14th Floor
Toronto, Ontario M2N 6L9 Fax: (416) 226-7750

The hearing will be open to the public unless the Tribunal orders otherwise.

IF YOU DO NOT PARTICIPATE in the hearing in accordance with this Notice, the Tribunal may proceed without your participation and you will not be entitled to any further notice in this proceeding.

DATED at the City of Toronto, this Monday, August 17, 2009.

Rhonda Booth
Registrar, Financial Services Tribunal

"Clean and green" helps grow OMERS Fund

OMERS diverse investments are an essential part of funding pension benefits for a secure retirement. Among these are eco-friendly investments that help make Ontario a cleaner and greener place to live.

The Dongara Pellet Plant in Vaughan processes municipal solid waste into fuel pellets – reducing the need for landfills while producing energy from a renewable source.

"The pellets are used to provide heat energy to greenhouses in south-western Ontario," said Darren Soanes, Vice President at Borealis Infrastructure, an OMERS investment entity.

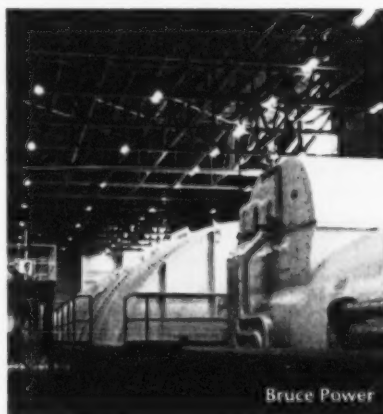
The solid waste is sorted and hazardous materials removed. The remaining materials are shredded, mixed with other hot, clean-burning additives and compressed into fuel pellets.

"The pellets are an ideal replacement or supplement for coal, but are much cleaner-burning than coal," said Mr. Soanes.

Enwave Energy Corporation's deep lake water cooling (DLWC) system has been cooling downtown Toronto buildings and supplying clean drinking water since 2004.

"Compared with conventional air-conditioning, this system reduces up to 90% of electricity use," said Steven Zuchet, Senior Vice President at Borealis Infrastructure.

Cold water is extracted from Lake Ontario, sent to a filtration plant, then to a pumping station where the cold temperature is transferred to a chilled-water supply loop; the chilled water is sent into office towers for air-conditioning and the filtered potable water is distributed to the city.



Bruce Power is Canada's only private nuclear generating company and supplies about one-quarter of Ontario's electrical power.

"Unlike other forms of energy, nuclear power doesn't contribute to greenhouse gas and nothing goes up a smoke stack," said Steve Cannon, Manager of Investor and Media Relations. "It's a very clean energy source, and that's why more countries around

the world are looking to nuclear power.

"It's efficient because only very small amounts of uranium are needed to create a very large amount of power."

Oxford Properties Group, OMERS real estate entity, proves its commitment to the environment through the Sustainable Intelligence program.

"Oxford's approach to sustainability is really about identifying opportunities and managing risks," said Darryl Neate, Director, Sustainability.

Oxford is the first real estate owner in Canada to set a greenhouse gas corporate reduction target: 20% by 2012 on properties it directly owns and manages.

"We plan to reach our goal by investing in energy-efficient capital projects, continually improving our management practices and engaging our tenants," said Mr. Neate.

For more about OMERS investments, please visit www.omers.com.

Buy-back payment plan now in effect

In our last issue of *Member News* (Spring 2009), we announced a new monthly payment plan for buying back OMERS service. This payment plan is designed to make purchasing past service easier to manage. It gives eligible members the option to pay for a buy-back in monthly payments over 12, 24 or 36 months through pre-authorized withdrawals from their bank account.

OMERS members have already started to take advantage of this new payment option. "We think this is just the beginning," said Margaret Davey, Manager, Active Member Services. "It gives members greater flexibility to purchase past service that will, ultimately, increase their OMERS pension." Look for further updates in upcoming issues of *Member News*.

OMERS privacy officer opens up about personal information

Member News recently met with James Roks, Vice President, Legal and Corporate Secretary to find out about OMERS commitment to protecting personal information. OMERS privacy officer spoke candidly about the measures we use to safeguard our members' information.

How do new technologies impact member privacy?

There needs to be a balance between protecting privacy and accessing new technology so that we can provide services to members. For instance, e-mail is an unsecured communications system. We always ask members not to send us confidential information by e-mail. It's like sending postcards – you never know who's going to read the message.

On the other hand, myOMERS, the secured website for members, launching in 2010, will provide much greater protection. The security system for myOMERS will be similar to the measures used for online banking.

How does OMERS ensure the security of member information?

It starts with our building security, which includes photo pass cards, cameras at doors, and secure filing cabinets. This is

supplemented by an expert IT department and a sophisticated pension system that limits access to information based on staff roles and responsibilities.

But the most important thing is training and awareness, because all the best systems in the world don't matter if someone doesn't know how to use them. We are always working on improving our training programs.

What can members do to help keep their pension information secure?

We ask retirees to notify OMERS immediately whenever they change their address or bank account. Active members should keep their employers up to date on their personal information. Also, when myOMERS goes live, don't tell anyone your verification questions, because whoever you told could pass themselves off as you.

Why does OMERS need detailed personal information?

We need to know your social insurance number for tax purposes. We need to know if you're married because your spouse could be entitled to certain pension survivor benefits. We need to know your age and how much

money you earn, in order to accurately administer your pension. But we don't collect personal information to sell to third parties, such as marketers. That's a commitment we've made.

Any final comments?

As a pension plan administrator, it's our fiduciary duty to act in the best interests of our members, and that means ensuring our members' personal information is kept private.



"myOMERS, the secured website for members, launching in January 2010, will provide much greater protection. The security system for myOMERS will be similar to the measures used for online banking."

— James Roks,
Vice President, Legal and Corporate Secretary

What OMERS retirees of the 2040s want

Portability

Retirement seems part of a distant future for Jennifer King, 27. The Employee Relations Officer at the Thames Valley District School Board (TVDSB) thinks young members want to know what happens to their pension if they switch employers.

"I think people around my age don't necessarily envision themselves working for the same employer for 30 years."

OMERS has options for members who leave their employer – including keeping their benefit in OMERS or transferring it to another registered plan or a locked-in retirement account.

Accessibility

Teri Waud, 28 and the Public Affairs Assistant at the TVDSB, would prefer more online communication to learn about her OMERS benefits.

"I'm definitely very technologically inclined. If I had access at my finger tips, I think I would have a far better understanding of what I'm being offered and what it all means," says Teri.

OMERS will provide secure online member access by 2010.

Security

Daniela Verna, 32, sees OMERS in her future. "It's a big part of my future because I do hope to have a long

career here at Halton Region," she says.

The Employment and Development Advisor adds that being an OMERS member means stability in retirement.

Michelle Novielli, 24, was recently hired by the Region of Durham. She joined OMERS in September 2008.

"I'd like to know more about my pension plan," says the Corporate Communications Co-ordinator.

Michelle, who specializes in media relations and internal communications, is excited about her future. She knows she can count on OMERS when she retires. "It gives me that extra bit of assurance and confidence that I'll be okay down the road."

OMERS AC Board appointments announced

William (Bill) Aziz

Mr. Aziz was appointed to the AC Board as an AMO employer



representative, effective February 2009. He is currently the President of

BlueTree Advisors Inc. and sits on the boards of Canada Bread Company Ltd. and Tecumseh Products Company.

David Carrington

Mr. Carrington was reappointed to the AC Board on June 30, 2009 as a



CUPE member representative. He previously served on the Board from 1997 to 2008.

Mr. Carrington is with Toronto

Hydro, and is currently the Recording Secretary of CUPE Local One.



Richard Faber
Mr. Faber has been reappointed to the AC Board as the retired member

representative. He was first appointed in June 2005. He has more than 30 years of municipal government experience, including more than 15 years as Manager of Budgets with the City of London.



Laurie Nancekivell
Ms. Nancekivell was appointed to the AC Board in June 2009 as

the OPSEU member representative. Ms. Nancekivell has worked for the Children's Aid Society of London and Middlesex for more than 10 years, and is currently an Intake Case Aide.



James Phillips
Mr. Phillips was appointed to the AC Board in June 2009 as the Ontario

Association of Children's Aid Societies employer representative. Mr. Phillips is Director of Corporate Resources with Family and Children's Services of Waterloo Region, and has been Executive Director of its Foundation since 1991.

Leslie Thompson

Ms. Thompson was appointed to the AC Board in June 2009 as the City of Toronto employer



representative. Ms. Thompson founded LESRISK Debt and Risk Management Inc., and has had

a career in banking and finance. She is on the City of Toronto's Sinking Fund and Investment Advisory committees.

Sheila Vandenberg

Ms. Vandenberg was appointed



to the AC Board in June 2009 as the Ontario Secondary School Teachers' Federation

member representative. Ms. Vandenberg has been Treasurer of the OSSTF Provincial Executive since 1999. She has also worked for the Ontario Teachers' Federation.

Plan for the future – with OMERS

Learn about your pension at an OMERS member information session. The sessions are fun, informative and free of charge. Topics include early retirement options, inflation protection, survivor benefits and investments.

Information sessions scheduled for June to December 2009 (5:30 to 7:30 p.m.)

| Date | Location |
|-------------|--|
| October 29 | Brampton Peel Regional Police Association, 10675 Mississauga Road |
| November 5 | London London Convention Centre, 300 York Street |
| November 9 | Toronto College of Teachers, 121 Bloor Street East |
| November 12 | St. Catharines Four Points by Sheraton, 3530 Schmon Parkway |
| November 12 | Stratford City of Stratford Auditorium, City Hall, 1 Wellington Street |
| November 16 | Mississauga Noel Ryan Auditorium, 301 Burnhamthorpe Road West |
| November 19 | Ajax Hilton Garden Inn, 500 Beck Crescent |
| November 24 | Barrie Holiday Inn Hotel and Conference Centre, 20 Fairview Road |
| November 26 | Kitchener Delta Kitchener-Waterloo, 105 King Street East |
| November 26 | Kingston Ambassador Conference Resort, 1550 Princess Street |
| December 1 | Ottawa (French) Chimo Hotel, 1199 Joseph Cyr Street |
| December 2 | Ottawa Chimo Hotel, 1199 Joseph Cyr Street |
| December 9 | Toronto OMERS, 1 University Avenue, 16th Floor |

For meeting locations and to register, contact OMERS Client Services or visit OMERS website under Members/Information sessions. Register early; the sessions fill up quickly.

Planned CPP changes

In May 2009, the federal government announced some proposed changes to the Canada Pension Plan (CPP). These proposals, which require legislative approval, would take effect between 2011 and 2014 and improve the CPP's sustainability, flexibility and fairness.

- You will no longer have to stop working or significantly reduce your earnings to receive your CPP pension, starting as early as age 60.
- If you take your CPP pension before age 65, while you are still working, you must continue contributing to the CPP. This will continue to increase your CPP pension. If you're 65 and over, contributions will be optional.
- If you take your CPP pension as early as age 60, your pension will be reduced by 0.6% per month (up from 0.5%). If you delay taking your CPP pension until after age 65, it will be increased by 0.7% per month (up from 0.5%).
- You will be able to "drop-out" more years of low or no earnings from your CPP pension calculation – from 15% (roughly seven years) to 17% (roughly eight years) by 2014. This could increase your pension.

There are no planned changes to CPP contribution rates, which will remain at 4.95% for members and employers.

For more information, please visit http://www.fin.gc.ca/n08/data/09-051_1-eng.asp.

OMERS

Plan for the Future

If there is any discrepancy between the information in this newsletter and the Ontario Municipal Employees Retirement System Act, 2006 (OMERS Act, 2006) and the Plan text, the OMERS Act, 2006 and Plan text will govern.

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